set up small scale industrial projects on turn-key basis in Sri Lanka. However, the National Small Industries Corporation (NSIC), a Public Sector Undertaking, has signed a Memorandum of Understanding with the Government of Sri Lanka (Ministry of Rural Industrial Development) on the 30th March, 1988 to co-operate in the planned development of small scale industries in Sri Lanka. 56 Small Industrial Projects have been identified by them for this purpose.

Assistance to engineering industry

1304. SHRI SUNIL BASU RAY:
SHRI RAMNARAYAN GOSWAMI:

Will the Minister of INDUSTRY be pleased to state:

(a) what are the details of subsidy and other assistance extended to engineering industry in the past five years, yearwise;

(b) what were the conditions for extending such subsidy and assistance in details; and

(c) whether the industry has fulfilled its tasks?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c) The Central Government has a Scheme of Central Investment Subsidy for 300 Districts identified as industrially backward districts and, among other industries, the engineering industry is eligible to avail of this scheme. Some of the other assistances extended to the engineering industries are given below:

(i) Under the Productivity Fund Scheme which is aided by the World Bank for industrial export development and finance, and operated by the ICICI, firms manufacturing engineering products are eligible for assistance to enhance productivtiy and improve their export products.

(ii) Under the Technology upgradation scheme which has recently been announced by he Ministry of Finance, assistance is made avilable to production units in financing viable proposals for technology upgradtion in several engineering industries of the capital goods sector. These include industries like electrical machinery, power generation equipment, ferrous castings and steel forgings, machine tools and some selected industrial machinery like Metallurgical Machinery, Mining Machinery, Sugar Machinery, Rubber Machinery, Food Processing Machinery and selected Chemical Equipments.

(iii) As far as assistance for exports is concerned, engineering exporters are getting facilities for specific disadvantages faced by them so as to be internationally competitive. These *inter-alia* include CCS to compensate for unrebated taxes and cascading effect of domestic taxation, duty drawback, MODVAT and supply of steel, aluminium pig iron at international prices under the International Price Reimbursement Scheme.

(iv) Assistance is also extended to various engineering industries by way of reduction in import duty on imported capital goods, raw materials and components under concessional rate of duty. Also import duty concessions under the Project Import Scheme are made available.